29 December 1980

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	MEMORANDUM FO	R:	Acting Coordinator for Academic Relations
STATINTL			NFAC
	FROM	:	Assistant General Counsel (Operations)
	SUBJECT	:	Proposal to Establish Graduate Research

1. At your request, I have reviewed the materials on the above subject prepared by STATINTL

that were forwarded to of the Resource Management Staff with a covering letter from Mr. dated 22

September 1980. The following is my initial reaction to the STATINTL proposal.

Assistantships at U.S. Universities

- 2. As a general matter, I see no legal prohibition as such to CIA contributing to the establishment of such a program at selected U.S. universities. At this point, the only applicable legal restriction that occurs to me is that contained in Section 2-303 of Executive Order 12036, which makes it mandatory for any CIA contract with a U.S. academic institution to be on a fully witting basis. Thus, if and when the Agency does decide to inaugurate a program of this kind, the contractual and funding relationship with any U.S. academic institution concerned must be carried out with the institution being fully aware of CIA's sponsorship.
- 3. However, notwithstanding my initial belief that the Agency in principle can play a role in the establishment of graduate assistantships at U.S. universities for the purposes described in the proposal, I believe that at this point all that can or should be done is for the Agency to internally consider as a matter of policy the basic efficacy, need and appropriateness of it becoming embarking on this kind of venture at all. I must say that I am a bit concerned about the fact that

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taken.

has come up with this idea, at the same time has also forwarded a proposal for a "pilot program" in which he has already nominated himself and two specific students of his at the STATINTL Las deserving recipients of Agency STATINTL indicates in his covering letter, support. ___ is understandably motivated by a degree of self-interest in urging the establishment of this type of program, and I believe that it would at least raise a question of propriety and possible conflict of interest if CIA were to precipitately adopt the proposal and then immediately forward funds set aside for it to one of its creators (i.e., STATINTL Professor for what is at least his indirect financial benefit. Accordingly, if after its initial analysis NFAC considers the proposal to be one worth exploring further, I would suggest that as a first step a thorough assessment and survey be made of a wide-range of U.S. colleges and universities to determine which might be eligible for and be in the best position to implement a research program of this kind. approaching the threshhold issue of whether or not the proposal is a worthwhile venture for CIA, at least two questions immediately would need to be addressed: a.) how can we be confident that students who receive our financial support will be likely to seek employment at CIA or elsewhere in the intelligence community; and b.) why should the assistantships be limited to those studying in areas, in the terms of the proposal, "relating to the activities of the Soviet Union or its allies in an important area of technology." I should stress again that the above represents only my preliminary, general views on this kind of proposal.

If and when NFAC decides this idea is one worth pursuing, OGC should be consulted before any concrete initiatives are